

# **MORENO VALLEY UNIFIED SCHOOL DISTRICT**

Revised Audit Report

## **NOTIFICATION OF TRUANCY PROGRAM**

Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994;  
Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007

*July 1, 2005, through June 30, 2008*



**JOHN CHIANG**  
California State Controller

August 2012



**JOHN CHIANG**  
**California State Controller**

August 21, 2012

Tracey B. Vackar, President  
Board of Education  
Moreno Valley Unified School District  
25634 Alessandro Boulevard  
Moreno Valley, CA 92553

Dear Ms. Vackar:

The State Controller's Office audited the costs claimed by Moreno Valley Unified School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2005, through June 30, 2008.

This revised final report supersedes our previous report dated February 9, 2011. Our original report identified FY 2005-06 unallowable costs totaling \$108,236, because the district issued noncompliant initial truancy notifications. This revised report partially allows costs claimed for the noncompliant initial truancy notifications. As a result, allowable costs increased by \$86,589 for the audit period.

The district claimed \$590,230 for the mandated program. Our audit disclosed that \$514,590 is allowable and \$75,640 is unallowable. The costs are unallowable because the district claimed noncompliant, overstated, and non-reimbursable initial truancy notifications. The State paid the district \$19,340. The State will pay allowable costs claimed that exceed the amount paid, totaling \$495,250, contingent upon available appropriations.

If you disagree with the revised audit findings, you may file an Incorrect Reduction Claim (IRC) with the Commission on State Mandates (CSM). The IRC must be filed within three years following the date that we notify you of a claim reduction. You may obtain IRC information at the CSM's Web site at [www.csm.ca.gov/docs/IRCForm.pdf](http://www.csm.ca.gov/docs/IRCForm.pdf).

If you have any questions, please contact Jim L. Spano, Chief, Mandated Cost Audits Bureau, at (916) 323-5849.

Sincerely,

*Original signed by*

**JEFFREY V. BROWNFIELD**  
Chief, Division of Audits

JVB/vb

cc: Judy D. White, Ed.D., Superintendent  
    Moreno Valley Unified School District  
Mays Kakish  
    Assistant Superintendent of Business Services  
    Moreno Valley Unified School District  
Ken Schmidt, Director  
    Student Services/Child Welfare and Attendance  
    Moreno Valley Unified School District  
Lynne Craig, President  
    Board of Education  
    Riverside County Office of Education  
Scott Hannan, Director  
    School Fiscal Services Division  
    California Department of Education  
Carol Bingham, Director  
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Thomas Todd, Assistant Program Budget Manager  
    Education Systems Unit  
    Department of Finance  
Jay Lal, Manager  
    Division of Accounting and Reporting  
    State Controller's Office

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# Revised Audit Report

## Summary

The State Controller's Office (SCO) audited the costs claimed by the Moreno Valley Unified School District for the legislatively mandated Notification of Truancy Program (Chapter 498, Statutes of 1983; Chapter 1023, Statutes of 1994; Chapter 19, Statutes of 1995; and Chapter 69, Statutes of 2007) for the period of July 1, 2005, through June 30, 2008.

The district claimed \$590,230 for the mandated program. Our audit disclosed that \$514,590 is allowable and \$75,640 is unallowable. The costs are unallowable because the district claimed noncompliant, overstated, and non-reimbursable initial truancy notifications. The State paid the district \$19,340. The State will pay allowable costs claimed that exceed the amount paid, totaling \$495,250, contingent upon available appropriations.

## Background

Education Code section 48260.5 (added by Chapter 498, Statutes of 1983) originally required school districts, upon a pupil's initial classification as a truant, to notify the pupil's parent or guardian by first-class mail or other reasonable means that: (1) the pupil is truant; (2) parents or guardians are obligated to compel the pupil's attendance at school; (3) parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution; (4) alternative educational programs are available in the district; and (5) they have the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

Chapter 1023, Statutes of 1994, amended Education Code section 48260.5 to require school districts to notify the pupil's parent or guardian that (1) the pupil may be subject to prosecution; (2) the pupil may be subject to suspension, restriction, or delay of the pupil's driving privilege; and (3) it is recommended that the parent or guardian accompany the pupil to school and attend classes with the pupil for one day. However, the Commission on State Mandates (CSM) did not amend the program's parameters and guidelines until January 31, 2008 (effective July 1, 2006). Therefore, until June 30, 2006, districts are eligible for mandated program reimbursement if they notify a parent or guardian of the first five elements.

Education Code section 48260 originally defined a truant pupil as one who is absent from school without a valid excuse for more than three days or who is tardy in excess of 30 minutes on each of more than three days in one school year. Chapter 1023, Statutes of 1994, and Chapter 19, Statutes of 1995, amended Education Code section 48260 and renumbered it to section 48260, subdivision (a), stating that a pupil is truant when he or she is absent from school without valid excuse three full days in one school year or is tardy or absent for more than any 30-minute period during the school day without a valid excuse on three occasions in one school year, or any combination thereof. However, the

CSM did not amend the program's parameters and guidelines until January 31, 2008 (effective July 1, 2006). Therefore, for mandate-reimbursement purposes, until June 30, 2006, a pupil is initially classified as truant upon the fourth unexcused absence.

On November 29, 1984, the State Board of Control (now the CSM) determined that Chapter 498, Statutes of 1983, imposed a state mandate upon school districts reimbursable under Government Code section 17561.

The parameters and guidelines establish the state mandate and define reimbursement criteria. The CSM adopted parameters and guidelines on August 27, 1987, and amended them on July 22, 1993, and January 31, 2008. In compliance with Government Code section 17558, the SCO issues claiming instructions to assist local agencies and schools districts in claiming mandated program reimbursable costs.

## **Objective, Scope, and Methodology**

We conducted the audit to determine whether costs claimed represent increased costs resulting from the Notification of Truancy Program for the period of July 1, 2005, through June 30, 2008.

Our audit scope included, but was not limited to, determining whether costs claimed were supported by appropriate source documents, were not funded by another source, and were not unreasonable and/or excessive.

We conducted this performance audit under the authority of Government Code sections 12410, 17558.5, and 17561. We did not audit the district's financial statements. We conducted the audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We limited our review of the district's internal controls to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

## **Conclusion**

Our audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and in the Findings and Recommendations section of this report.

For the audit period, Moreno Valley Unified School District claimed \$590,230 for costs of the Notification of Truancy Program. Our audit disclosed that \$514,590 is allowable and \$75,640 is unallowable. The State paid the district \$19,340. The State will pay allowable costs claimed that exceed the amount paid, totaling \$495,250, contingent upon available appropriations.

**Views of  
Responsible  
Officials**

We discussed our audit results with the district's representatives during an exit conference conducted on January 5, 2011. Estuardo Santillan, Interim Assistant Superintendent, Business Services, and Patty Rucker, Coordinator, Student Services, did not comment on the audit results. In an e-mail dated January 18, 2011, Ken Schmidt, Director, Student Services/Child Welfare and Attendance, confirmed that the district had no comment on the findings, declined a draft audit report, and agreed that we could issue the audit report as final.

We issued a final audit report on February 9, 2011. Subsequently, we revised Finding 1 to allow partial reimbursement for noncompliant initial truancy notifications claimed in FY 2005-06. As a result, we revised Finding 1 to reduce the audit adjustment from \$108,236 to \$21,647. We advised Mr. Schmidt of the revisions. Mr. Schmidt stated that he appreciated the notification, but did not comment specifically on the revised audit finding.

**Restricted Use**

This report is solely for the information and use of the Moreno Valley Unified School District, the Riverside County Office of Education, the California Department of Education, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original signed by*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

August 21, 2012

# Revised Schedule 1— Summary of Program Costs July 1, 2005, through June 30, 2008

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustment	Reference <sup>1</sup>
<u>July 1, 2005, through June 30, 2006</u>				
Number of truancy notifications	6,965	6,965	—	
Uniform cost allowance	× \$15.54	× \$15.54	× \$15.54	
Subtotal <sup>2</sup>	\$ 108,236	\$ 108,236	\$ —	
Noncompliant initial truancy notifications	—	(21,647)	(21,647)	Finding 1
Total program costs	<u>\$ 108,236</u>	86,589	<u>\$ (21,647)</u>	
Less amount paid by the State		—		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 86,589</u>		
<u>July 1, 2006, through June 30, 2007</u>				
Number of truancy notifications	14,234	12,591	(1,643)	Findings 2, 3
Unit cost per initial notifications	× \$16.15	× \$16.15	× \$16.15	
Total program costs <sup>2</sup>	<u>\$ 229,879</u>	203,344	<u>\$ (26,535)</u>	
Less amount paid by the State		(19,331)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 184,013</u>		
<u>July 1, 2007, through June 30, 2008</u>				
Number of truancy notifications	14,590	13,001	(1,589)	Finding 3
Unit cost per initial notifications	× \$17.28	× \$17.28	× \$17.28	
Total program costs <sup>2</sup>	<u>\$ 252,115</u>	224,657	<u>\$ (27,458)</u>	
Less amount paid by the State		(9)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 224,648</u>		
<u>Summary: July 1, 2005, through June 30, 2008</u>				
Total program costs	<u>\$ 590,230</u>	\$ 514,590	<u>\$ (75,640)</u>	
Less amount paid by the State		(19,340)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 495,250</u>		

<sup>1</sup> See the revised Findings and Recommendations section.

<sup>2</sup> Calculation differences due to rounding.



# Revised Findings and Recommendations

## **FINDING 1— Noncompliant initial truancy notifications**

The district claimed unallowable costs totaling \$21,647. The costs are unallowable because the district distributed initial truancy notifications that did not comply with the program's parameters and guidelines.

For FY 2005-06, the parameters and guidelines require that districts distribute initial truancy notification forms that notify parents/guardians of the following five items:

1. That the pupil is truant.
2. That the parent or guardian is obligated to compel the attendance of the pupil at school.
3. That parents or guardians who fail to meet this obligation may be guilty of an infraction and subject to prosecution pursuant to Education Code sections 48290 through 48296.
4. That alternative educational programs are available in the district.
5. That the parent or guardian has the right to meet with appropriate school personnel to discuss solutions to the pupil's truancy.

The district distributed initial truancy notifications that did not include the third item identified above. As a result, 20% (1/5) of the unit cost allowance for each notification is unallowable.

The following table summarizes the audit adjustment:

	Fiscal Year 2005-06
Number of notifications claimed	6,965
Uniform cost allowance	× \$15.54
Subtotal	\$ 108,236
Unallowable percentage	× (20)%
Audit adjustment	<u>\$ (21,647)</u>

### Recommendation

No recommendation is applicable. The district revised its initial truancy notification form after FY 2005-06. The revised initial truancy notification complies with the parameters and guidelines.

**FINDING 2—  
Overstated number of  
initial truancy  
notifications claimed**

For FY 2006-07, the district overstated the number of allowable initial truancy notifications issued. As a result, the district claimed unallowable costs totaling \$355.

The district provided documentation identifying 14,241 notifications issued. However, the documentation shows that the district issued two notifications for 29 students. Only the initial truancy notification is reimbursable under the mandated program. Therefore, only 14,212 notifications are allowable.

The following table summarizes the audit adjustment:

	Fiscal Year 2006-07
Initial truancy notifications documented	14,241
Less duplicate notifications issued	(29)
Allowable initial truancy notifications	14,212
Less initial truancy notifications claimed	(14,234)
Overstated initial truancy notifications	(22)
Uniform cost allowance	× \$16.15
Audit adjustment	<u>\$ (355)</u>

The parameters and guidelines instruct claimants to claim mandate-related costs as follows:

Report the number of initial notifications of truancy distributed during the year. Do not include in that count the number of notifications or other contacts which may result from the initial notification to the parent or guardian.

They also require claimants to maintain documentation that supports the total number of initial notifications of truancy distributed.

**Recommendation**

We recommend that the district claim the number of allowable initial truancy notifications that its records support. We recommend that the district exclude from this count multiple letters that it distributes for the same student.

**FINDING 3—  
Non-reimbursable  
initial truancy  
notifications**

The district claimed unallowable costs totaling \$53,638 for FY 2006-07 and FY 2007-08. The district claimed initial truancy notification costs for students who did not accumulate the required number of unexcused absences or tardiness occurrences to be classified as truant under the mandated program.

For FY 2006-07 and FY 2007-08, we selected a statistical sample of initial truancy notifications based on a 95% confidence level, a precision rate of +/-8%, and an expected error rate of 50%. We chose our statistical sample from the allowable population of initial truancy notifications that the district documented. We used a statistical sample so that we could project the sample results to the population. The district uses either daily attendance accounting or period attendance accounting, depending on the student's grade level. Therefore, we stratified each fiscal year's population into two groups and selected separate samples for each group.

The district claimed initial truancy notifications that are unallowable for the following reasons:

- The student accumulated three or more total unexcused absences or tardiness occurrences during the school year, but fewer than three of these occurred while the student was between ages 6 and 18.
- The student accumulated fewer than three total unexcused absences or tardiness occurrences.

The following table summarizes the unallowable initial truancy notifications identified in our statistical samples:

	Fiscal Year	
	2006-07	2007-08
Number of unexcused absences and tardiness occurrences accumulated during the school year		
Daily attendance accounting:		
Fewer than three while between ages 6 and 18	27	7
Fewer than three total	<u>9</u>	<u>23</u>
Unallowable initial truancy notifications, daily attendance accounting	<u>36</u>	<u>30</u>
Period attendance accounting:		
Fewer than three while between ages 6 and 18	3	—
Fewer than three total	<u>—</u>	<u>6</u>
Unallowable initial truancy notifications, period attendance accounting	<u>3</u>	<u>6</u>

The following table summarizes the number of unallowable initial truancy notifications, the statistical sample size, the unallowable percentage, and the extrapolated audit adjustment:

	Fiscal Year		Total
	2005-06	2007-08	
Daily attendance accounting:			
Number of unallowable initial truancy notifications from statistical sample	(36)	(30)	
Statistical sample size	÷ 146	÷ 146	
Unallowable percentage	(24.66)%	(20.55)%	
Population sampled	× 5,883	× 6,035	
Extrapolated number of unallowable initial truancy notifications	(1,451)	(1,240)	
Uniform cost allowance	× \$16.15	× \$17.28	
Unallowable costs, daily attendance accounting	\$ (23,434)	\$ (21,427)	\$ (44,861)
Period attendance accounting:			
Number of unallowable initial truancy notifications from statistical sample	(3)	(6)	
Statistical sample size	÷ 147	÷ 147	
Unallowable percentage	(2.04)%	(4.08)%	
Population sampled	× 8,329	× 8,555	
Extrapolated number of unallowable initial truancy notifications	(170)	(349)	
Uniform cost allowance	× \$16.15	× \$17.28	
Unallowable costs, period attendance accounting	\$ (2,746)	\$ (6,031)	(8,777)
Audit adjustment	\$ (26,180)	\$ (27,458)	\$ (53,638)

Education Code section 48260, subdivision (a), as amended in 1994 states:

*Any pupil subject to compulsory full-time education or to compulsory continuation education [emphasis added] who is absent from school without valid excuse three full days in one school year or tardy or absent for more than any 30-minute period during the schoolday [sic] without a valid excuse on three occasions in one school year, or any combination thereof, is a truant. . . .*

Education Code section 48200 states that children between the ages of 6 and 18 are subject to compulsory full-time education. Therefore, student absences that occur before the student's 6<sup>th</sup> birthday or after the student's 18<sup>th</sup> birthday are not relevant when determining whether a student is a truant.

In addition, the parameters and guidelines state:

A truancy occurs when a student is absent from school without valid excuse three (3) full days in one school year, or is tardy or absent without valid excuse for more than any thirty (30)-minute period during the school day on three (3) occasions in one school year, or any combination thereof.

Recommendation

We recommend that the district claim initial truancy notifications only for those students who meet the truancy definition provided in the parameters and guidelines.

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